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CENTRAL INTELLIGENCE GROUP 25X1A 94026

INTELLIGENCE REPORT

COUNTRY Germany (Russian Zone)

This document is hereby regraded to
CONFIDENTIAL in accordance with
letter of 16 October 1976 from
Director of Central Intelligence to
Director of the United States.
Next Review Date: 2008

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SUBJECT Socialization of Private Property;
Russian Purchasing of Real Estate

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SUPPLEMENT

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1. As a part of the program for socialization of private property, the Russian authorities in Land Saxony have made it very difficult for houses to be sold legally. All transactions must be approved by Karlshorst. In spite of regulations, however, some brokers contrive house sales by accepting the Russians as partners.

In one such negotiation for a block of houses in Leipzig, the Russians were reported to have offered to pay in dollars, through a bank in Basel. This payment was never made because the transaction was not completed. Source stated, however, that such payments could be arranged with equal ease in Prague or other foreign cities, or could be made directly in cash for houses and real estate in the Russian Zone.

Source also alleged that other transactions of the Russians for Leipzig real estate included centrally located properties of considerable value, paid for in foreign currency (not dollars). These sales, however, concerned fewer than a hundred properties.

Inquiries regarding real estate transactions in Leipzig, to the only private banker remaining in the city, did not disclose any payments in dollars or other foreign currency.

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